
HOUSE BILL No. 1501

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-2-9; IC 20-3.1-15-1; IC 20-5; IC 20-8.1; IC 20-10.1; IC 21-2; IC 21-3-1.7.

Synopsis: School textbook funding. Provides funding for textbooks for students in public schools and in accredited nonpublic schools. Abolishes the public school textbook rental program and the public school textbook library program. Provides textbooks for students in accredited nonpublic schools through a parental reimbursement program. Redefines "textbook" to include the various kinds of instructional materials that are currently eligible for state reimbursement under the textbook assistance program. Requires a school corporation to establish a textbook fund and to appropriate money from the fund to purchase and distribute textbooks. Provides that money in the textbook fund may be used only for the purchase of textbooks and not for administrative expenses. Provides an annual state textbook grant and appropriation to school corporations of \$85 per average daily membership (ADM) for deposit in the textbook fund. Appropriates money for an \$85 per student textbook reimbursement to parents of students in accredited nonpublic schools. Makes conforming changes and transitional provisions.

Effective: July 1, 2001.

Dvorak, Ayres, Ruppel

January 11, 2001, read first time and referred to Committee on Ways and Means.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1501

A BILL FOR AN ACT to amend the Indiana Code concerning education and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-2-9-6 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2001]: Sec. 6. (a) Where a school lunch fund ~~or~~
3 ~~a textbook rental fund~~ is created under section 4 ~~or section 5~~ of this
4 chapter, the receipts and expenditures for ~~each~~ **the** program shall be
5 made to and from the ~~proper~~ **school lunch** fund without appropriation
6 or the application of other laws relating to the budgets of local
7 government units.
8 (b) Where ~~either or both programs~~ **the program** under section 4 ~~and~~
9 ~~section 5~~ of this chapter ~~are~~ **is** handled through the extracurricular
10 account, the township trustee shall approve the amount of the bond of
11 the treasurer of the extracurricular account in an amount ~~he~~ **the**
12 **township trustee** considers protects the account for all funds coming
13 into the hands of that treasurer.
14 SECTION 2. IC 20-3.1-15-1 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. To provide the board
16 with the necessary flexibility and resources to carry out this article, the
17 following apply:



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(1) The board may eliminate or modify existing policies and create new policies, and alter policies from time to time, subject to this article and the plan developed under IC 20-3.1-7.

(2) IC 20-7.5 does not apply to matters set forth in this article. The matters set forth in this article may not be the subject of collective bargaining or discussion under IC 20-7.5.

(3) An exclusive representative certified under IC 20-7.5 to represent certified employees of the school city, or any other entity voluntarily recognized by the board as a representative of employees providing educational services in the schools, may bargain collectively only concerning salary, wages, and salary and wage related fringe benefits. The exclusive representative may not bargain collectively or discuss performance awards under IC 20-3.1-12.

(4) The board of school commissioners may waive the following statutes and rules for any school in the school city without the need for administrative, regulatory, or legislative approval:

(A) The following rules concerning curriculum and instructional time:

511 IAC 6.1-3-4

511 IAC 6.1-5-0.5

511 IAC 6.1-5-1

511 IAC 6.1-5-2.5

511 IAC 6.1-5-3.5

511 IAC 6.1-5-4

(B) The following rules concerning pupil/teacher ratios:

511 IAC 6-2-1(b)(2)

511 IAC 6.1-4-1

(C) The following statutes and rules concerning textbooks, and rules adopted under the statutes:

IC 20-10.1-9-1

IC 20-10.1-9-18

IC 20-10.1-9-21

~~IC 20-10.1-9-23~~

IC 20-10.1-9-27

IC 20-10.1-10-1

IC 20-10.1-10-2

511 IAC 6.1-5-5

(D) The following rules concerning school principals:

511 IAC 6-2-1(c)(4)

511 IAC 6.1-4-2

(E) 511 IAC 2-2, concerning school construction and

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- 1 remodeling.
- 2 (5) Notwithstanding any other law, a school city may do the
- 3 following:
- 4 (A) Lease school transportation equipment to others for
- 5 nonschool use when the equipment is not in use for a school
- 6 city purpose.
- 7 (B) Establish a professional development and technology fund
- 8 to be used for:
- 9 (i) professional development; or
- 10 (ii) technology, including video distance learning.
- 11 (C) Transfer funds obtained from sources other than state or
- 12 local government taxation among any account of the school
- 13 corporation, including a professional development and
- 14 technology fund established under clause (B).
- 15 (6) Transfer funds obtained from property taxation among the
- 16 general fund (established under IC 21-2-11) and the school
- 17 transportation fund (established under IC 21-2-11.5), subject to
- 18 the following:
- 19 (A) The sum of the property tax rates for the general fund and
- 20 the school transportation fund after a transfer occurs under this
- 21 subdivision may not exceed the sum of the property tax rates
- 22 for the general fund and the school transportation fund before
- 23 a transfer occurs under this clause.
- 24 (B) This clause does not allow a school corporation to transfer
- 25 to any other fund money from the debt service fund
- 26 (established under IC 21-2-4).
- 27 SECTION 3. IC 20-5-2-2 IS AMENDED TO READ AS FOLLOWS
- 28 [EFFECTIVE JULY 1, 2001]: Sec. 2. In carrying out the school
- 29 purposes of each school corporation, its governing body acting on its
- 30 behalf shall have the following specific powers:
- 31 (1) In the name of the school corporation, to sue and be sued and
- 32 to enter into contracts in matters permitted by applicable law.
- 33 (2) To take charge of, manage, and conduct the educational affairs
- 34 of the school corporation and to establish, locate, and provide the
- 35 necessary schools, school libraries, other libraries where
- 36 permitted by law, other buildings, facilities, property, and
- 37 equipment therefor.
- 38 (2.5) To appropriate from the general fund an amount, not to
- 39 exceed the greater of three thousand dollars (\$3,000) per budget
- 40 year or one dollar (\$1) per pupil, not to exceed twelve thousand
- 41 five hundred dollars (\$12,500), based upon the school
- 42 corporation's previous year's average daily membership (as

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defined in IC 21-3-1.6-1.1) for the purpose of promoting the best interests of the school corporation by:

(A) the purchase of meals, decorations, memorabilia, or awards;

(B) provision for expenses incurred in interviewing job applicants; or

(C) developing relations with other governmental units.

(3) To acquire, construct, erect, maintain, hold, and to contract for such construction, erection, or maintenance of such real estate, real estate improvements, or any interest in either, as the governing body deems necessary for school purposes, including but not limited to buildings, parts of buildings, additions to buildings, rooms, gymnasiums, auditoriums, playgrounds, playing and athletic fields, facilities for physical training, buildings for administrative, office, warehouse, repair activities, or housing of school owned buses, landscaping, walks, drives, parking areas, roadways, easements and facilities for power, sewer, water, roadway, access, storm and surface water, drinking water, gas, electricity, other utilities and similar purposes, by purchase, either outright for cash (or under conditional sales or **purchases** **purchase** money contracts providing for a retention of a security interest by seller until payment is made or by notes where such contract, security retention, or note is permitted by applicable law), by exchange, by gift, by devise, by eminent domain, by lease with or without option to purchase, or by lease under IC 21-5-10, IC 21-5-11, or IC 21-5-12. To repair, remodel, remove, or demolish any such real estate, real estate improvements, or interest in either, as the governing body deems necessary for school purposes, and to contract therefor. To provide for energy conservation measures through utility energy efficiency programs or under a guaranteed energy savings contract as described in IC 36-1-12.5.

(4) To acquire such personal property or any interest therein as the governing body deems necessary for school purposes, including but not limited to buses, motor vehicles, equipment, apparatus, appliances, books, furniture, and supplies, either by outright purchase for cash, or under conditional sales or purchase money contracts providing for a security interest by the seller until payment is made or by notes where such contract, security, retention, or note is permitted by applicable law, by gift, by devise, by loan, or by lease with or without option to purchase and to repair, remodel, remove, relocate, and demolish such personal

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property. All purchases and contracts delineated under the powers given under subdivision (3) and this subdivision shall be subject solely to applicable law relating to purchases and contracting by municipal corporations in general and to the supervisory control of agencies of the state as provided in section 3 of this chapter.

(5) To sell or exchange any of such real or personal property or interest therein, which in the opinion of the governing body is not necessary for school purposes, in accordance with IC 20-5-5, to demolish or otherwise dispose of such property if, in the opinion of the governing body, it is not necessary for school purposes and is worthless, and to pay the expenses for such demolition or disposition.

(6) To lease any school property for a rental which the governing body deems reasonable or to permit the free use of school property for:

(A) civic or public purposes; or

(B) the operation of a school age child care program for children aged five (5) through fourteen (14) years that operates before or after the school day, or both, and during periods when school is not in session;

if the property is not needed for school purposes. Under this subdivision, the governing body may enter into a long term lease with a nonprofit corporation, community service organization, or other governmental entity, if the corporation, organization, or other governmental entity will use the property to be leased for civic or public purposes or for a school age child care program. However, if the property subject to a long term lease is being paid for from money in the school corporation's debt service fund, then all proceeds from the long term lease shall be deposited in that school corporation's debt service fund so long as the property has not been paid for. The governing body may, at its option, use the procedure specified in IC 36-1-11-10 in leasing property under this subdivision.

(7) To employ, contract for, and discharge superintendents, supervisors, principals, teachers, librarians, athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-6.1-3), business managers, superintendents of buildings and grounds, janitors, engineers, architects, physicians, dentists, nurses, accountants, teacher aides performing noninstructional duties, educational and other professional consultants, data processing and computer service for school purposes, including

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but not limited to the making of schedules, the keeping and analyzing of grades and other student data, the keeping and preparing of warrants, payroll, and similar data where approved by the state board of accounts as provided below, and such other personnel or services, all as the governing body considers necessary for school purposes. To fix and pay the salaries and compensation of such persons and such services. To classify such persons or services and to adopt schedules of salaries or compensation. To determine the number of such persons or the amount of services thus employed or contracted for. To determine the nature and extent of their duties. The compensation, terms of employment, and discharge of teachers shall, however, be subject to and governed by the laws relating to employment, contracting, compensation, and discharge of teachers. The compensation, terms of employment, and discharge of bus drivers shall be subject to and shall be governed by any laws relating to employment, contracting, compensation, and discharge of bus drivers. The forms and procedures relating to the use of computer and data processing equipment in handling the financial affairs of such school corporation shall be submitted to the state board of accounts for approval to the end that such services shall be used by the school corporation when the governing body determines that it is in the best interests of the school corporation while at the same time providing reasonable accountability for the funds expended.

(8) Notwithstanding the appropriation limitation in subdivision (2.5), when the governing body by resolution deems a trip by an employee of the school corporation or by a member of the governing body to be in the interest of the school corporation, including but not limited to attending meetings, conferences, or examining equipment, buildings, and installation in other areas, to permit such employee to be absent in connection with such trip without any loss in pay and to refund to such employee or to such member ~~his~~ the reasonable hotel and board bills and necessary transportation expenses. To pay teaching personnel for time spent in sponsoring and working with school related trips or activities. (9) To transport children to and from school, when in the opinion of the governing body such transportation is necessary, including but not limited to considerations for the safety of such children and without regard to the distance they live from the school, such transportation to be otherwise in accordance with the laws applicable thereto.

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(10) To provide a lunch program for a part or all of the students attending the schools of the school corporation, including but not limited to the establishment of kitchens, kitchen facilities, kitchen equipment, lunch rooms, the hiring of the necessary personnel to operate such program, and the purchase of any material and supplies therefor, charging students for the operational costs of such lunch program, fixing the price per meal or per food item. To operate such lunch program as an extracurricular activity, subject to the supervision of the governing body. To participate in any surplus commodity or lunch aid program.

(11) To purchase textbooks **and to furnish them textbooks to students** without cost ~~or to rent them to students; to participate in any textbook aid program; all in accordance with applicable law.~~ **under IC 20-10.1-11.5. A school corporation may not conduct a textbook rental program for students enrolled in the school corporation.**

(12) To accept students transferred from other school corporations and to transfer students to other school corporations in accordance with applicable law.

(13) To levy taxes, to make budgets, to appropriate funds, and to disburse the money of the school corporation in accordance with the laws applicable thereto. To borrow money against current tax collections and otherwise to borrow money, in accordance with IC 20-5-4.

(14) To purchase insurance or to establish and maintain a program of self-insurance relating to the liability of the school corporation or its employees in connection with motor vehicles or property and for any additional coverage to the extent permitted and in accordance with IC 34-13-3-20. To purchase additional insurance or to establish and maintain a program of self-insurance protecting the school corporation and members of the governing body, employees, contractors, or agents of the school corporation from any liability, risk, accident, or loss related to any school property, school contract, school or school related activity, including but not limited to the purchase of insurance or the establishment and maintenance of a self-insurance program protecting such persons against false imprisonment, false arrest, libel, or slander for acts committed in the course of their employment, protecting the school corporation for fire and extended coverage and other casualty risks to the extent of replacement cost, loss of use, and other insurable risks relating to any property owned, leased, or held by the school corporation. To

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1 purchase insurance or to establish and maintain a program of
 2 self-insurance to benefit school corporation employees, which
 3 may include accident, sickness, health, or dental coverage,
 4 provided that any plan of self-insurance shall include an
 5 aggregate stop-loss provision.

6 (15) To make all applications, to enter into all contracts, and to
 7 sign all documents necessary for the receipt of aid, money, or
 8 property from the state government, the federal government, or
 9 from any other source.

10 (16) To defend any member of the governing body or any
 11 employee of the school corporation in any suit arising out of the
 12 performance of ~~his~~ **the individual's** duties for or employment
 13 with, the school corporation, provided the governing body by
 14 resolution determined that such action was taken in good faith. To
 15 save any such member or employee harmless from any liability,
 16 cost, or damage in connection therewith, including but not limited
 17 to the payment of any legal fees, except where such liability, cost,
 18 or damage is predicated on or arises out of the bad faith of such
 19 member or employee, or is a claim or judgment based on his
 20 malfeasance in office or employment.

21 (17) To prepare, make, enforce, amend, or repeal rules,
 22 regulations, and procedures for the government and management
 23 of the schools, property, facilities, and activities of the school
 24 corporation, its agents, employees, and pupils and for the
 25 operation of its governing body, which rules, regulations, and
 26 procedures may be designated by any appropriate title such as
 27 "policy handbook", "bylaws", or "rules and regulations".

28 (18) To ratify and approve any action taken by any member of the
 29 governing body, any officer of the governing body, or by any
 30 employee of the school corporation after such action is taken, if
 31 such action could have been approved in advance, and in
 32 connection therewith to pay any expense or compensation
 33 permitted under IC 20-5-1 through IC 20-5-6 or any other law.

34 (19) To exercise any other power and make any expenditure in
 35 carrying out its general powers and purposes provided in this
 36 chapter or in carrying out the powers delineated in this section
 37 which is reasonable from a business or educational standpoint in
 38 carrying out school purposes of the school corporation, including
 39 but not limited to the acquisition of property or the employment
 40 or contracting for services, even though such power or
 41 expenditure shall not be specifically set out herein. The specific
 42 powers set out in this section shall not be construed to limit the

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1 general grant of powers provided in this chapter except where a
 2 limitation is set out in IC 20-5-1 through IC 20-5-6 by specific
 3 language or by reference to other law.

4 SECTION 4. IC 20-5-6-6 IS AMENDED TO READ AS FOLLOWS
 5 [EFFECTIVE JULY 1, 2001]: Sec. 6. (1) Where a school lunch fund
 6 ~~and a textbook rental fund are~~ is created in accordance with section 4
 7 ~~or 5~~ of this chapter, the receipts and expenditures therefrom for the
 8 program ~~to which each relates~~ shall be made to and from ~~such the~~ fund
 9 without appropriation or the application of other statutes and rules
 10 relating to the budgets of municipal corporations.

11 (2) Where ~~either the lunch program or textbook rental program are~~
 12 ~~is~~ handled through the extracurricular account, the governing body of
 13 the school corporation shall approve the amount of the bond of the
 14 treasurer of the extracurricular account in an amount deemed by it
 15 sufficient to protect the account for all funds coming into the hands of
 16 the treasurer of such account.

17 SECTION 5. IC 20-5-62-5 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. Notwithstanding any
 19 other law, the operation of the following is suspended for a freeway
 20 school corporation or a freeway school if the governing body of the
 21 school corporation elects to have the specific statute or rule suspended
 22 in the contract:

23 (1) The following statutes and rules concerning curriculum and
 24 instructional time:

25 IC 20-10.1-2-2

26 IC 20-10.1-4-6

27 IC 20-10.1-4-7

28 IC 20-10.1-4-9.1

29 511 IAC 6-7-6

30 511 IAC 6.1-3-4

31 511 IAC 6.1-5-0.5

32 511 IAC 6.1-5-1

33 511 IAC 6.1-5-2.5

34 511 IAC 6.1-5-3.5

35 511 IAC 6.1-5-4

36 (2) The following rules concerning pupil/teacher ratios:

37 511 IAC 6-2-1(b)(2)

38 511 IAC 6.1-4-1

39 (3) The following statutes and rules concerning textbooks:

40 IC 20-10.1-9-1

41 IC 20-10.1-9-18

42 IC 20-10.1-9-21

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- 1 ~~IC 20-10.1-9-23~~
 2 IC 20-10.1-9-27
 3 IC 20-10.1-10-1
 4 IC 20-10.1-10-2
 5 511 IAC 6.1-5-5
 6 (4) 511 IAC 6-7, concerning graduation requirements.
 7 (5) 511 IAC 6-2-1(c)(4), concerning pupil/principal ratios.
 8 (6) 511 IAC 2-2, concerning school construction and remodeling.
 9 (7) IC 20-1-1.2, concerning the performance-based accreditation
 10 system.
 11 (8) IC 20-10.1-16, concerning the ISTEP program established
 12 under IC 20-10.1-16-8, if an alternative locally adopted norm and
 13 criterion referenced assessment program is adopted under section
 14 6(7) of this chapter.
 15 SECTION 6. IC 20-8.1-1-6.5 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2001]: **Sec. 6.5. (a) As used in this article,**
 18 **"nonpublic school" has the meaning set forth in IC 20-10.1-1-3.**
 19 **(b) As used in this article, "accredited nonpublic school" means**
 20 **a nonpublic school that:**
 21 **(1) voluntarily seeks; and**
 22 **(2) receives;**
 23 **accreditation as authorized under IC 20-1-1-6(a)(5).**
 24 SECTION 7. IC 20-8.1-1-19 IS ADDED TO THE INDIANA CODE
 25 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 26 1, 2001]: **Sec. 19. As used in this article, "textbook" has the**
 27 **meaning set forth in IC 20-10.1-1-12.5.**
 28 SECTION 8. IC 20-8.1-9-3 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. ~~(a)~~ If a parent of a
 30 child or an emancipated minor who is enrolled in a public school, in
 31 grades K-12, meets the financial eligibility standard under section 2 of
 32 this chapter, the parent or the emancipated minor may not be required
 33 to pay ~~the fees for school books, supplies, or other~~ required class fees.
 34 Such fees shall be paid by the school corporation in which the child
 35 resides.
 36 ~~(b)~~ The school corporation may apply for a reimbursement under
 37 section 9 of this chapter from the department of the costs incurred
 38 under subsection ~~(a)~~.
 39 ~~(c)~~ To the extent the reimbursement received by the school
 40 corporation is less than the textbook rental fee assessed for textbooks
 41 that have been adopted under ~~IC 20-10.1-9-1~~ or waived under
 42 ~~IC 20-10.1-9-27~~, the school corporation may request that the parent or

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emancipated minor pay the balance of this amount.

SECTION 9. IC 20-8.1-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. All school corporations must give notice in nontechnical language and in a manner that can be reasonably expected to reach parents of school children before the collection of any fees. ~~for schoolbooks and supplies.~~ This notice shall inform the parents of the availability of assistance, the eligibility standards, the procedure for obtaining assistance, including the right and method of appeal, and the availability of application forms at a designated school office.

SECTION 10. IC 20-8.1-9.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:

Chapter 9.5. Reimbursement for Textbooks for Students in Accredited Nonpublic Schools

Sec. 1. This chapter applies to students who are enrolled in accredited nonpublic schools.

Sec. 2. The department shall reimburse a parent or an emancipated minor for expenses for textbooks that are incurred for the parent's child or the emancipated minor.

Sec. 3. There is no financial eligibility requirement to receive reimbursement under this chapter.

Sec. 4. The amount of reimbursement under this chapter is the amount established in IC 21-2-20.

Sec. 5. An accredited nonpublic school may assist a parent or emancipated minor in obtaining reimbursement under this chapter.

Sec. 6. The following apply to an application for reimbursement under this chapter:

(1) The department shall provide an application form prescribed by the state board of accounts.

(2) The department shall establish a filing date.

(3) The applicant shall certify the following in the application to the department:

(A) The name, age, and grade level of the student who is enrolled in an accredited nonpublic school and for whom the applicant seeks reimbursement.

(B) The expense incurred in providing textbooks to the student.

(C) That each textbook included in the reimbursement request (except those textbooks used for special education or gifted and talented instruction) has been adopted by the

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1 Indiana state board of education under IC 20-10.1-9-1 or
2 has been waived by the Indiana state board of education
3 under IC 20-10.1-9-27.

4 (D) That the amount of reimbursement requested for each
5 nonconsumable textbook does not exceed twenty percent
6 (20%) of the costs incurred for the textbook, as provided
7 in the textbook adoption list in each year of the adoption
8 cycle.

9 (E) Any other information required by the department,
10 including the following:

11 (i) Copies of invoices or purchase orders used to acquire
12 textbooks.

13 (ii) Information about the student.

14 (iii) Information about the accredited nonpublic school.

15 Sec. 7. The department shall use money in the supplemental
16 textbook fund established by IC 21-2-20 for the purpose of making
17 reimbursements under this chapter.

18 Sec. 8. The department may adopt rules under IC 4-22-2 to
19 implement this chapter.

20 SECTION 11. IC 20-10.1-1-12.5 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 12.5. As used in this
22 article, ~~the term~~ "textbook" means systematically organized material,
23 designed to provide a specific level of instruction in a subject matter
24 category. The term refers to the following:

25 (1) Instructional material that is used by students for more
26 than one (1) year, including material used in special education
27 and gifted and talented classes.

28 (2) Workbooks and consumable instructional material that
29 are used by students for not more than one (1) school year,
30 including workbooks, consumable textbooks, and other
31 consumable instructional materials that are used in special
32 education and gifted and talented classes.

33 (3) Developmentally appropriate material used instead of
34 items described in subdivisions (1) through (2) for instruction
35 in:

36 (A) kindergarten through grade 3;

37 (B) laboratories;

38 (C) literature programs;

39 (D) special education; or

40 (E) gifted and talented classes.

41 SECTION 12. IC 20-10.1-9-19 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 19. Time Basis



Purchase. When a school corporation purchases textbooks on a time basis, the schedule for payments shall coincide with ~~pupil payments~~ **the textbook grant distribution** to the school corporation, ~~for textbook rental~~ and the schedule shall not require the school corporation to assume a greater burden than payment of twenty-five percent (25%) within thirty (30) days after the beginning of the school year immediately following delivery by the contracting publisher with the school corporation's promissory note evidencing the unpaid balance.

SECTION 13. IC 20-10.1-9-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 20. Each school corporation may borrow money to buy textbooks and may issue notes, maturing serially in not more than six (6) years and payable from its ~~general~~ **textbook** fund, to secure the loan. However, when an adoption is made by the state board of education for less than six (6) years, the period of time for which the notes may be issued is limited to the period of time for which that adoption is effective. Notwithstanding other provisions of this section, a school township may not borrow money to purchase textbooks unless a petition requesting such an action and bearing the signatures of twenty-five percent (25%) of the resident taxpayers of the school township has been presented to and approved by the township trustee and township board.

SECTION 14. IC 20-10.1-10-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) Except as provided in ~~subsections (b) and (c)~~ **subsection (b)** and all laws to the contrary notwithstanding, each governing body shall purchase from a contracting publisher, at the net contract price or at any subsequent lower price, the textbooks adopted by the Indiana state board of education and selected by the proper local officials ~~and shall rent these textbooks to each student enrolled in any public school which is in compliance with the minimum certification standards of the Indiana state board of education and is located within the attendance unit served by the governing body.~~

(b) This section does not prohibit the purchase of these textbooks at the option of any student or the providing of free textbooks by the governing body under ~~IC 20-10.1-11.1~~ **to carry out IC 20-10.1-11.5.**

(c) ~~(b)~~ This section does not prohibit a governing body from suspending the operation of this section under a contract entered into under IC 20-5-62.

SECTION 15. IC 20-10.1-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. ~~(a)~~ Each governing body may purchase from a contracting publisher, at the net contract price or at any subsequent lower price, any textbook adopted by the

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1 state board of education and selected by the proper local officials and
 2 may rent these textbooks to students enrolled in any public or
 3 nonpublic school which is in compliance with the minimum
 4 certification standards of the state board of education and is located for
 5 sale to parents of nonpublic school students and emancipated
 6 minors who are eligible for reimbursement under IC 20-8.1-9.5, if
 7 the student resides within the attendance unit served by the governing
 8 body, at an annual rental not to exceed twenty-five percent (25%) of the
 9 retail price of the textbooks:

10 (b) However, the governing body may not assess a rental fee of
 11 more than fifteen percent (15%) of the retail price of a textbook that
 12 has been:

- 13 (1) adopted for usage by students under IC 20-10.1-9;
- 14 (2) extended for usage by students under IC 20-10.1-9-1(b); and
- 15 (3) paid for through rental fees previously collected.

16 (c) This section does not limit any other laws but is supplementary.

17 **The selling price of a textbook must equal the purchase price.**

18 SECTION 16. IC 20-10.1-11.5 IS ADDED TO THE INDIANA
 19 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2001]:

21 **Chapter 11.5. Textbooks for Public School Students**

22 **Sec. 1. As used in this chapter, "student" means a student**
 23 **enrolled in a school corporation, including transfer students.**

24 **Sec. 2. As used in this chapter, "textbook" has the meaning set**
 25 **forth in IC 20-10.1-12.5.**

26 **Sec. 3. As used in this chapter, "textbook fund" refers to the**
 27 **fund established by IC 21-2-19.**

28 **Sec. 4. The governing body of each school corporation shall do**
 29 **the following:**

- 30 (1) Purchase and maintain a sufficient number of textbooks to
- 31 meet the needs of each student.
- 32 (2) Appropriate from the textbook fund established under
- 33 IC 21-2-19 the money necessary to purchase textbooks.
- 34 (3) Loan free of charge to each student all textbooks
- 35 prescribed for the student's grade or classes.
- 36 (4) Prescribe guidelines for the following:
 - 37 (A) The availability of textbooks to students.
 - 38 (B) The care and custody of textbooks by students.
 - 39 (C) The return of textbooks by students.
- 40 (5) Provide facilities for the safekeeping of textbooks.
- 41 (6) Fumigate or destroy textbooks at the times and under
- 42 regulations prescribed by local and state health authorities or

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determined by the governing body.

Sec. 5. The parent of a student who is loaned a textbook under this chapter is financially responsible for the following according to the guidelines adopted by the school corporation under this chapter:

- (1) Wear, except for reasonable wear, on a textbook.**
- (2) Loss, mutilation, or defacement of a textbook.**
- (3) Failure to return a textbook to the school corporation upon request.**
- (4) Other matters concerning the use and care of textbooks.**

Sec. 6. (a) If a student is transferred to a school corporation other than the one in which the student is a resident under IC 20-8.1-6.1, the governing body of the school corporation to which the student is transferred shall provide textbooks to the transferred student.

(b) The annual settlement between school corporations for tuition of transferred students must include amounts for furnishing textbooks to transferred students at a rate determined by the board.

Sec. 7. A governing body may sell textbooks to students who wish to purchase textbooks at the price stipulated in the contracts under which the books are purchased by the school corporation. Money from sales to students must be paid into the textbook fund.

SECTION 17. IC 21-2-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) The trustee, with the advice and consent of the township board, shall use such "seminary lands school account" for the following educational purposes:

(1) Each year the trustee shall pay to the parent or legal guardian of any child, whose residence is within said township, initial cost for the rental of textbooks used in any elementary or secondary school which has been duly accredited by the state of Indiana. Such reimbursement for the rental of school books shall be for the initial yearly rental charge only, and books subsequently lost or destroyed shall not be paid for from this account.

(2) (1) Students who are residents of said the township for the last two (2) years of their secondary education and who still reside within said the township shall receive financial assistance in an amount not to exceed an amount determined by the trustee and the township board during an annual review of higher education fees and tuition costs of post-high school education at any accredited college, university, junior college, or vocational or trade school. Amounts to be paid to each eligible student shall be



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set annually following this review. The amount so paid each year shall be equitable for every eligible student without regard to race, religion, creed, sex, disability, or national origin and must be based on the number of students and the amount of funds available each year.

(2) A person who has been a permanent resident of the township continuously for at least two (2) years and who needs educational assistance for job training or retraining may apply to the trustee of the township for financial assistance. The trustee and the township board shall review each application and make assistance available according to the need of each applicant and the availability of funds.

(3) If all the available funds are not used in any one (1) year, said unused funds shall be retained in said the account by the trustee for use in succeeding years.

(b) The bond required by law for the trustee shall be increased by an amount equal to the sum of the seminary township school fund and the average annual rental income from said seminary lands.

(c) All funds and accounts provided in this chapter and the accumulation thereof shall be periodically audited and examined in the same manner provided by law for public money.

(d) All expenditures and payments made under this chapter shall be made only after necessary expenditures for the protection and maintenance of the seminary land in good and safe condition are first made from the annual rental income.

SECTION 18. IC 21-2-11-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. The governing body of each school corporation in the state of Indiana shall establish a general fund for the operation and maintenance of local schools and levy a tax therefor. All receipts and disbursements heretofore authorized by law for school funds and tax levies for the tuition fund, special school fund, special fund, vocational fund, recreation fund, compulsory education fund, school library fund, high school library fund, public employee's retirement fund, operating fund, transportation tax and county wide school tax shall on and after January 1, 1968, be received in and disbursed from the general fund. A tax levy and rate for the general fund shall be established by the governing body of each school corporation for the 1968 a calendar year. and all succeeding calendar years. Any balances of all the aforesaid funds on January 1, 1968 shall be transferred to the general fund.

SECTION 19. IC 21-2-11-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. Any self-supporting



1 programs maintained by any school corporation, including but not
 2 limited to school lunch, ~~and rental or sale of textbooks~~, may be
 3 established as separate funds, separate and apart from the general fund,
 4 if no local tax rate is established ~~therefor~~ **for the program**.

5 SECTION 20. IC 21-2-19 IS ADDED TO THE INDIANA CODE
 6 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2001]:

8 **Chapter 19. Textbook Fund**

9 **Sec. 1.** As used in this chapter, "fund" refers to the textbook
 10 fund established under section 3 of this chapter.

11 **Sec. 2.** As used in this chapter, "textbook" has the meaning set
 12 forth in IC 20-10.1-1-12.5.

13 **Sec. 3.** A school corporation shall establish a textbook fund.

14 **Sec. 4. (a)** Money in the fund may be used only for the following
 15 purposes:

16 (1) The purchase of textbooks to implement IC 20-10.1-11.5.

17 (2) Paying interest and principal on loans obtained by the
 18 school corporation to purchase textbooks.

19 (b) Money in the fund may not be used for any administrative
 20 expense associated with the purchase of textbooks, including the
 21 administration of IC 20-10.1-11.5.

22 **Sec. 5.** A school corporation shall deposit in the fund the
 23 following:

24 (1) Distributions under IC 21-3-1.7-9.9.

25 (2) Receipts from sales of textbooks under IC 20-10.1-11.5.

26 (3) Receipts from sales under IC 20-10.1-10-2.

27 (4) Other revenues designated for the textbook fund.

28 **Sec. 6.** Money in the fund at the end of a school year or fiscal
 29 year does not revert to the school general fund.

30 SECTION 21. IC 21-2-20 IS ADDED TO THE INDIANA CODE
 31 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2001]:

33 **Chapter 20. Supplemental Textbook Fund for Students in**
 34 **Accredited Nonpublic Schools**

35 **Sec. 1.** As used in this chapter, "department" refers to the
 36 department of education established by IC 20-1-1.1-2.

37 **Sec. 2.** As used in this chapter, "fund" refers to the
 38 supplemental textbook fund established by section 5 of this
 39 chapter.

40 **Sec. 3. (a)** As used in this chapter, "nonpublic school" has the
 41 meaning set forth in IC 20-10.1-1-3.

42 (b) As used in this chapter, "accredited nonpublic school"

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means a nonpublic school that:

- (1) voluntarily seeks; and
- (2) receives;

accreditation as authorized under IC 20-1-1-6(a)(5).

Sec. 4. As used in this chapter, "textbook" has the meaning set forth in IC 20-10.1-1-12.5.

Sec. 5. The supplemental textbook fund is established for the purpose of providing money for reimbursements for textbooks under IC 20-8.1-9.5 to:

- (1) parents of students in accredited nonpublic schools; and
- (2) emancipated minors who are students in accredited nonpublic schools.

Sec. 6. The department shall administer the fund. Expenses of administering the fund shall be paid from money in the fund.

Sec. 7. The fund consists of appropriations by the general assembly.

Sec. 8. The treasurer of state shall invest the money in the fund not currently needed to meet obligations of the fund in the same manner as other public funds may be invested. Interest earned from investment of the fund shall be credited to the fund.

Sec. 9. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 10. (a) Subject to balances available in the fund, the treasurer of state shall pay the amount determined under subsection (b). The amount is payable in the manner provided in IC 20-8.1-9.5.

(b) The amount of annual reimbursement for textbooks may not exceed eighty-five dollars (\$85) for a student who is enrolled full time in an accredited nonpublic school.

SECTION 22. IC 21-3-1.7-3.1, AS AMENDED BY P.L.3-2000, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3.1. (a) As used in this chapter, "previous year revenue" for calculations with respect to a school corporation equals:

- (1) the school corporation's tuition support for regular programs, including basic tuition support, and excluding:
 - (A) special education grants;
 - (B) vocational education grants;
 - (C) at-risk programs;
 - (D) the enrollment adjustment grant;
 - (E) for 1999 and thereafter, the academic honors diploma award; and
 - (F) for 2001 and thereafter, the primetime distribution; and



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- (G) for 2002 and thereafter, textbook grants;
 for the year that precedes the current year; plus
 (2) the school corporation's tuition support levy for the year that
 precedes the current year before the reductions required under
 section 5(1), 5(2), and 5(3) of this chapter; plus
 (3) the school corporation's excise tax revenue for the year that
 precedes the current year by two (2) years; minus
 (4) an amount equal to the reduction in the school corporation's
 tuition support under subsection (b) or IC 20-10.1-2-1, or both.
- (b) A school corporation's previous year revenue shall be reduced
 if:
- (1) the school corporation's state tuition support for special or
 vocational education was reduced as a result of a complaint being
 filed with the department of education after December 31, 1988,
 because the school program overstated the number of children
 enrolled in special or vocational education programs; and
 - (2) the school corporation's previous year revenue has not been
 reduced under this subsection more than one (1) time because of
 a given overstatement.
- The amount of the reduction equals the amount the school corporation
 would have received in tuition support for special and vocational
 education because of the overstatement.
- SECTION 23. IC 21-3-1.7-9.5, AS AMENDED BY P.L.93-2000,
 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 JULY 1, 2001]: Sec. 9.5. (a) In addition to the ~~distribution~~
distributions under sections 8, 9.7, ~~and 9.8, and 9.9~~ of this chapter, a
 school corporation is eligible for an enrollment adjustment grant if the
 school corporation's:
- (1) current ADM minus the school corporation's previous year
 ADM is at least two hundred fifty (250); or
 - (2) current ADM divided by the school corporation's previous
 year ADM is at least one and five-hundredths (1.05).
- (b) The amount of the enrollment adjustment grant is the amount
 determined in STEP THREE of the following formula:
- STEP ONE: Determine the school corporation's target revenue per
 ADM divided by three (3).
 - STEP TWO: Determine the result of the school corporation's
 current ADM minus the school corporation's previous year ADM.
 - STEP THREE: Multiply the STEP ONE result by the STEP TWO
 result.
- (c) Notwithstanding any other provision, for purposes of computing
 the amount of a grant under this section, "ADM" does not include an

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1 eligible pupil who is described in IC 21-3-1.6-1.2(a).

2 SECTION 24. IC 21-3-1.7-9.7, AS AMENDED BY P.L.273-1999,
3 SECTION 140, IS AMENDED TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2001]: Sec. 9.7. In addition to the distributions
5 under sections 8, 9.5, ~~and~~ 9.8, **and 9.9** of this chapter for 1997 and
6 thereafter, a school corporation is eligible for an amount for at-risk
7 programs in the amount determined in STEP ~~SIX~~ **FIVE** of the
8 following formula:

9 STEP ONE: Determine the greater of the following:

10 (A) The result determined under item (ii) of the following
11 formula:

12 ~~(i)~~ **(i)** Determine the result of the school corporation's at-risk
13 index minus two-tenths (0.2).

14 (ii) Multiply the item ~~(i)~~ **(i)** result by seven-hundredths
15 (0.07).

16 (B) Zero (0).

17 STEP TWO: Determine the greater of the following:

18 (A) The result determined under item (ii) of the following
19 formula:

20 ~~(i)~~ **(i)** Determine the result of the school corporation's at-risk
21 index minus fifteen-hundredths (0.15).

22 (ii) Multiply the item ~~(i)~~ **(i)** result by eighteen-hundredths
23 (0.18).

24 (B) Zero (0).

25 STEP THREE: Add the STEP ONE result and the STEP TWO
26 result.

27 STEP FOUR: Multiply the STEP THREE sum by the school
28 corporation's current ADM. Round the result to the nearest
29 one-hundredth (0.01).

30 STEP FIVE: Multiply the STEP FOUR product by three thousand
31 three hundred fifty-four dollars (\$3,354) in 2000 and three
32 thousand five hundred twenty-two dollars (\$3,522) in 2001.

33 SECTION 25. IC 21-3-1.7-9.8, AS AMENDED BY P.L.273-1999,
34 SECTION 141, IS AMENDED TO READ AS FOLLOWS
35 [EFFECTIVE JULY 1, 2001]: Sec. 9.8. (a) In addition to the
36 distributions under sections 8, 9.5, ~~and~~ 9.7, **and 9.9** of this chapter, a
37 school corporation is eligible for an honors diploma award in the
38 amount determined under STEP TWO of the following formula:

39 STEP ONE: Determine the number of the school corporation's
40 eligible pupils who successfully completed an academic honors
41 diploma program in the school year ending in the previous
42 calendar year.

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STEP TWO: Multiply the STEP ONE amount by nine hundred twenty-five dollars (\$925).

(b) Each year the governing body of a school corporation may use the money that the school corporation receives for an honors diploma award under this section to give nine hundred twenty-five dollars (\$925) to each eligible pupil in the school corporation who successfully completes an academic honors diploma program in the school year ending in the previous calendar year.

SECTION 26. IC 21-3-1.7-9.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 9.9. (a) A school corporation is eligible for an amount for a textbook grant that is equal to the school corporation's current ADM multiplied by eighty-five dollars (\$85).**

(b) The distribution received under this section shall be deposited in a school corporation's textbook fund and used only for the purposes specified in IC 21-2-19-4.

SECTION 27. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2001]: IC 20-2-9-5; IC 20-5-6-5; IC 20-8.1-9-9; IC 20-8.1-9-9.1; IC 20-8.1-9-9.5; IC 20-8.1-9-9.6; IC 20-8.1-9-14; IC 20-10.1-1-12; IC 20-10.1-9-23; IC 20-10.1-11.

SECTION 28. [EFFECTIVE JULY 1, 2001] **(a) A school corporation may not conduct a textbook rental program for a school year beginning after June 30, 2001.**

(b) On July 1, 2001, a school corporation shall transfer any unencumbered money in any fund or account used for textbook rental fees to the textbook fund established under IC 21-2-19, as added by this act. The money transferred under this SECTION may be used for any purpose for which other money in the textbook fund may be used.

(c) This SECTION expires January 1, 2005.

SECTION 29. [EFFECTIVE JULY 1, 2001] **(a) The state board of tax commissioners shall reduce the:**

(1) maximum permissible ad valorem property tax levy imposed by IC 6-1.1-18.5-3; and

(2) poor relief levy;

of each township to reflect the effect of this act on the obligation of township trustees to pay school fees under IC 20-8.1-9-11.

(b) The state board of tax commissioners shall reduce the:

(1) maximum permissible ad valorem property tax levy imposed by IC 6-1.1-19-1.5; and

(2) general fund property tax levy;



of each school corporation that operated an elementary school library or a high school library under IC 20-10.1-11 before its repeal by this act to provide free textbooks to resident students before July 1, 2001, to reflect the transfer of textbook funding to the textbook fund established by IC 21-2-19, as added by this act.

(c) Any loan:

(1) obtained to purchase textbooks (as defined in IC 20-10.1-1-12.5, as amended by this act); and

(2) payable from a school general fund before July 1, 2001; shall be paid from the textbook fund after June 30, 2001.

(d) This SECTION expires January 1, 2005.

SECTION 30. [EFFECTIVE JULY 1, 2001] (a) There is appropriated from the state general fund to the superintendent of public instruction for the period beginning July 1, 2001, and ending June 30, 2003, a sufficient amount of money for textbook grants to school corporations under IC 21-3-1.7-9.9, as added by this act.

(b) There is appropriated from the state general fund to the supplemental textbook fund established by IC 21-2-20-5, as added by this act, for the period beginning July 1, 2001, and ending June 30, 2003, eighty-five dollars (\$85) for each student enrolled in an accredited nonpublic school for whom reimbursement for textbooks is provided under IC 20-8.1-9.5, as added by this act.

(c) Money appropriated under this SECTION does not revert to the state general fund at the end of any state fiscal year.

(d) This SECTION expires June 30, 2003.

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